



Occupational Licensing Boards Oversight Reporting Work Group

Improving Financial and Performance Reporting for Oversight of Occupational Licensing Boards

A presentation to the
Joint Legislative Administrative Procedures Oversight Committee

By
John Turcotte
Director of Program Evaluation Division
March 6, 2018

Occupational Licensing Boards Oversight Reporting Work Group



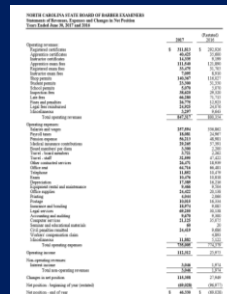
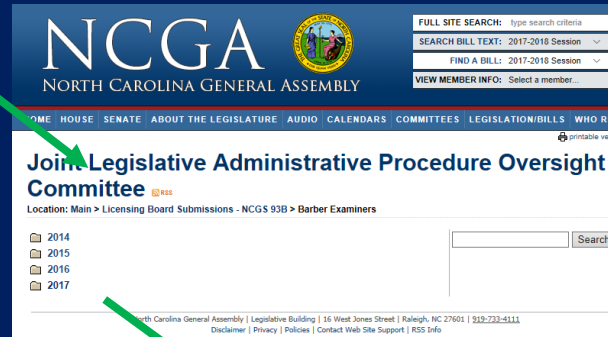
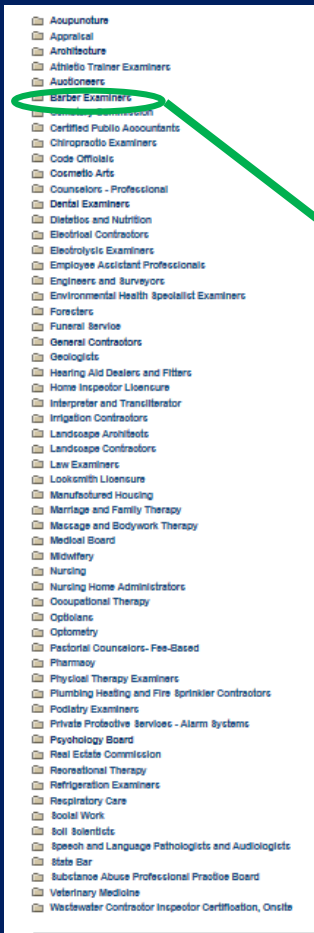
- John Turcotte, MA
Director
- Jim Horne, CPA,
Principal Evaluator
- Jason-Moran Bates,
Attorney
- Jeremy Ray, Attorney
- Chris Saunders,
Attorney
- Honorable Beth Wood,
CPA, State Auditor
- Donna Allen, CPA, CIA,
CFE, Deputy State
Auditor
- Katina Bell, CPA,
Financial Audit Director
- Pam Wade, CPA,
Financial Audit Manager

Oversight of Occupational Licensing Boards Hampered by the Large Number of Flat Files Lacking Uniformity

59 OLB File Annually with APO—
Not a Relational Database

Each Folder Has
Current Reports
and 2-5 Prior
Year Filings

- Reports are individual, flat, text files in PDF format
- Reports must be retrieved individually
- Comparisons among OLBS or year-over-year require
 1. retrieval of individual reports of interest
 2. selecting data of interest
 3. manually comparing



Occupational Licensing Boards File Annual Reports with Content Specified by NCGS 93B2

NORTH CAROLINA BOARD OF BARBER EXAMINERS Annual Report for Fiscal Year 2017

If members of the public have questions about this report, please contact:

Dennis Seavers
Executive Director
dseavers@ncbarbers.com
(919) 981-5210 x22

1. The address of the board and the names of its members and officers

5809 Departure Drive Suite 102, Raleigh, NC 27616.

Its members are:

- Don Beal
- Gary Gardner
- Jamie Norton
- Steffon Sharpless
- Valerie Willis

The board's officers are:

- Don Beal, Chair
- Jamie, Vice Chair

1a. The total number of licensees supervised by the board

17,713

2. The number of persons who applied to the board for examination

Written exam: 608
Practical exam: 1,057

3. The number who were refused examination

136

4. The number who took the examination

Written exam: 500
Practical exam: 606

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Board of Barber Examiners
2017 Annual Report

5. The number to whom initial licenses were issued

845

5a. The number who failed the examination

Written exam: 171
Practical exam: 76

6. The number who applied for license by reciprocity or comity

110

7. The number who were granted licenses by reciprocity or comity

77

The board notes that the number of licenses granted has increased from a low in FY 2015 of 2.65% to the rate in FY 2017 of 70%. Over the past two years, the board has engaged in efforts to improve this percentage by repealing burdensome requirements its rules, and this increase in the approval rate reflects those efforts. We expect an additional increase next year.

The board believes that the number could be higher if certain requirements in statute were revised. The board has requested legislation to make it easier for out-of-state applicants to get licensure by reciprocity. (For more information, see question 10 below.)

7a. The number of official complaints received involving licensed and unlicensed activities

65

7b. The number of disciplinary actions taken against licensees, or other action taken against non-licensees, including injunctive relief

132

8. The number of licenses suspended or revoked

0

9. The number of licenses terminated for any reason other than failure to pay the required renewal fee

0

10. The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board

The board will request the following statutory changes:

- Amend G.S. 86A–12 to make it easier for out-of-state barbers to be licensed by reciprocity;
- Amend G.S. 86A–17(b) to eliminate a six-month grace period for civil penalties for barbers who fail to renew their license before it expires;
- Amend G.S. 86A–22 to allow barber schools to offer online classes for non-practical training;
- The board is considering requesting that the General Assembly amend G.S. 86A–23 to require continuing education for barber instructors;
- Amend G.S. 86A–25 to increase the maximum fees collectible by the board, perhaps based on the Consumer Price Index; and
- Eliminate the portion of G.S. 86A–25 that requires the board to issue free licenses to barbers 70 years or older.

Although the board will not be the initiator of this request, the board has been approached to have the Board of Electrolysis Examiners merged into it. Both boards support the merger and are currently working on merger plans.

11. The substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board

The board has published or will be publishing rule changes as follows:

- Requiring all license renewals to occur online, unless the licensee requests a waiver;
- Reduce the restrictions on how many regulated businesses (i.e., barber schools or barbershops) an individual can manage;
- Reducing the limitations on physical spaces that can qualify as barber shops; and
- Other technical changes, especially those necessary to implement any of the bills described in question 10 above.

Content of Occupational Licensing Boards Financial Statements

Generally the Same but Reporting Line Items are Not Uniform

Physical Therapists

Chiropractors

EXPENSES

- Bank service fees
- Payment processing fees
- Communication
- Computer and technology
- Legal and professional fees
- Salaries
- Payroll taxes
- Board member travel and per diem
- Hearings, seminars and meetings
- Office expense and postage
- Office supplies
- Office rent
- Insurance
- Investigation expenses

Dentists

Operating expenses:

- Salaries and benefits
- Professional fees
- Board expenses
- Examination expenses
- Hearing and investigative expense
- Rent and storage
- Office expenses
- Postage and printing
- Computer and website
- Utilities
- Insurance
- Staff travel and education
- Machine maintenance and rental
- Dues and subscriptions
- Bank charges and online fees
- Office evaluator
- Purchase of equipment
- Depreciation

OPERATING EXPENSES

- Staff salaries
- Payroll tax expense
- Retirement contributions (Note E)
- Board members and other travel
per diem, subsistence and registration
- Legal and investigation (Note H)
- Telephone
- Postage
- Newsletter and directory printing
- Office supplies
- Computer supplies and support
- Professional fees
- Group insurance
- Insurance
- Membership dues
- Credit card transaction fees
- Equipment rent (Note F)
- Rent (Note F)
- Utilities and other office expenses
- Temporary labor
- Chemical impairment program costs
- Depreciation

Status and Plan



- Work group met February 27 and will continue throughout implementation.
- State Auditors are developing a concept for a uniform financial report.
- Program Evaluation Division is developing a concept for a uniform performance measures report containing existing measures currently required (slide 4) and others proposed by PED.
- Proof of concept in summer 2018 with first reports for all OLBS required in October 2019.

(Continued)

Status and Plan



- All accounting detail must conform to official State accounting system with expectation that once the new statewide accounting system is in place, the boards would convert to the new system.
- All boards, without exception, will have a financial audit annually by a local CPA firm.
- Boards must have a July 1—June 30 uniform fiscal year.
- Will include a General Assembly web site with full-text search, user-defined comparison/custom reporting, and full report downloading capabilities. PED working with our Information Services Division to develop.
- General specifications and responsibilities will be set by 2018 reform law (bill draft submitted to AOS prior to short session).

